



February 16, 2016

Hilcorp Energy Company
1201 Louisiana Street, Suite 1400
Houston, Texas 77002
Attn: Jeffrey D. Hildebrand, Chairman and CEO

Via Certified Mail # 7013 2630 0000 6667 8368
Return Receipt Requested

RE: Notice of Intent to Sue for Failure to Comply with the Clean Water Act

Dear Sir or Madam:

Please be advised that Hilcorp Energy Company ("Hilcorp") has persisted in unlawfully discharging dredged sediment and depositing fill material without the required permit, even after being asked to stop. Because Hilcorp has willfully refused to obey the law, and because Hilcorp will in all likelihood continue this conduct until sufficiently deterred, the Louisiana Oystermen Association (LOA)¹ provides this notice of intent to sue Hilcorp for its violation(s) of the Clean Water Act, as described more fully below.

I. Statement of Violations

Under Section 301 of the Clean Water Act, 33 U.S.C. § 1311, it is unlawful to discharge any pollutant from a point source into waters of the United States, except as permitted by the Act. Section 404 requires persons to obtain a permit from the U.S. Army Corps of Engineers prior to discharging dredged or fill material into waters of the United States. 33 U.S.C. § 1344; see 33 C.F.R. §§ 323.2–323.4. In relation to the facts forming the basis for this notice, Hilcorp failed to obtain an individual or general Section 404 permit or to qualify for any permit exception that would have rendered its conduct lawful.

Beginning on or about January 15, 2016, Hilcorp began a project to recomplete the E. Cockrell, Jr. 154 well near Lake Washington in Plaquemines Parish, Louisiana (well number 230675; location: Lon.: -89.82166497, Lat: 29.40440315) (the "Cockrell 154 Well" or the "Well"). Hilcorp mobilized tugboats to prepare the Well site and, ultimately, to transport a mobile drilling rig to the Cockrell 154 well site.

¹ The Louisiana Oystermen Association is a Louisiana non-profit corporation whose mission is the protection of the oyster industry and its environment, and the enhancement of the livelihood of LOA members in building oyster reefs and cultivating oyster crops. LOA's mailing address is 140 Espy Lane, Pointe à la Hache, Louisiana 70082. LOA's phone number is (504) 236-1527, though LOA requests that it be contacted through undersigned counsel.

The vessels, under the direction and/or control of Hilcorp, include, but may not be limited to, the following:

Captain Boo (call sign WDC3044)
Captain Eddie (call sign WDC3053)
Low Land 5 (call sign WDC7872)
Miss Edmay (call sign WDC3055)
Miss Kennedy (call sign WDB5137)
Miss Laurie (call sign WDC3052)
Mr. Devin (call sign WDC3049)

The above-referenced vessels, and any others associated with the Cockrell 154 Well recompletion project, traversed Barataria Bay from Bayou St. Denis in a southeasterly arc, to approximately one mile south of the Cockrell 154 Well site. Dredging is believed to have occurred at points along the length of the route of travel across Barataria Bay.

Once reaching an area approximately one mile south of the Cockrell 154 Well site, in the area of northern Lake Grand Ecaille southwest of Lost Bayou, these vessels then proceeded north into shallow waters and repeatedly were observed, videotaped, and/or photographed purposefully prop-washing, wheel-washing, or otherwise dredging the water bottom to create a channel deep enough for the associated rig to access the Cockrell 154 Well site. In particular, between January 28 and February 1, 2016, LOA members observed extensive wheel-wash dredging of sediment on or near their oyster leases when vessels under Hilcorp's direction were attempting to transport a drilling rig to the Well. A large amount of the disturbed sediment that was scoured from the water bottom was suspended in the water column, some of which settled on oyster leases held by LOA members and some of which was likely lost to the system as a result of tidal influences.

Because LOA members were not notified of the intrusion and dredging around and across their lease, LOA investigated whether Hilcorp obtained a permit and discovered that Hilcorp did not obtain a Section 404 permit that would have allowed it to dredge in the region of the Cockrell 154 Well, if granted. Undersigned counsel, on behalf of members of the LOA, contacted both Hilcorp's legal counsel and responsible governmental agencies in an effort to halt Hilcorp's legal violations without resort to further legal action. Hilcorp did not agree to stop or to obtain a permit. Rather, upon information and belief, Hilcorp engaged in clandestine activities designed to mask its intentional, illegal behavior.

Because Hilcorp's violations are ongoing and likely to be repeated, especially given Hilcorp's lengthy history of non-compliance in Louisiana, this conduct will continue to occur during the life of the Cockrell 154 Well recompletion project and in the future.

II. Harm

Through its illegal activity, Hilcorp has disenfranchised LOA (and other citizens and groups), depriving them of their right to constructive participation prior to agency decision. And in avoiding the permit process altogether, Hilcorp was able to utilize the most destructive dredging technique and avoid the cost of methods less harmful to the environment and LOA's

interests. Hilcorp also avoided the cost of using dredged materials removed from public water bottoms for beneficial purposes, such as restoring imperiled coastal islands located less than one-third of a mile away. And Hilcorp avoided the cost of reasonable mitigation measures such as sediment curtains that would prevent harm to adjacent oyster reefs, reefs that have been cultivated by LOA oystermen for years. Instead, Hilcorp liquefied and deepened the waterbottoms of Barataria Bay, the cumulative effect of which is to increase the risk of storm surge visited upon the coastal communities in which LOA's members live.

III. Citizen Suit

Section 505 of the Clean Water Act provides that "any citizen may commence a civil action on his own behalf... against any person... who is alleged to be in violation of (A) an effluent standard or limitation under this chapter or (B) an order issued by the Administrator or a State with respect to such a standard or limitation." Clean Water Act, 33 U.S.C. §1365(b)(1)(a). As stated above, Hilcorp has violated the Clean Water Act.

Accordingly, and in compliance with 40 C.F.R. §§135.1–135.3, the LOA, through undersigned counsel, provides notice of intent to sue Hilcorp Energy Company ("Hilcorp"). The LOA will seek civil penalties, declaratory relief, prohibitive and mandatory injunctive relief, as well as other appropriate relief including attorney's fees and costs as allowed under the Clean Water Act. The suit, when filed, will also address any more recent violations and violations that are revealed during the discovery process.

IV. Litigation Hold Advisory

Because the Louisiana Oystermen Association intends to sue, Hilcorp is advised not to destroy any information or documents that are relevant to the allegations set forth above, including, but not limited to, smooth and rough logs, personnel logs, environmental data, navigational charts, GIS locational data in native form on the navigational equipment aboard the above referenced vessels, including any points and tracks, emails and other digital files regarding the project, communications regarding this project, communications regarding the complaints of oyster leaseholders or people associated with same, surveys, vessel and rig draught data, water bottom bathymetric data in whatever manner recorded, photographs, videos, invoices, bills, documents sent to or obtained from contractors hired by Hilcorp in relation to this project, and vessel charter agreements. Hilcorp documents should be secured immediately to avoid spoliation.

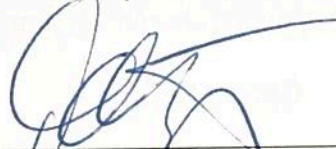
V. Conclusion

This notice of intent to sue sufficiently states the grounds for filing a citizen-suit complaint. The law provides that LOA must wait sixty (60) days following the issuance of this notice before filing suit. *Id.* §1365(b)(1)(A). This waiting period was designed to provide the parties with a reasonable time to resolve the matter. If you wish, you may contact LOA's attorneys before the expiration of this 60-day waiting period. If we cannot resolve this situation within sixty days, the LOA will commence an enforcement action as outlined above.

Please direct all communications and correspondence relating to this 60-day notice to undersigned counsel.

Sincerely,

WALTZER, WIYGUL & GARSIDE LLC



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